

ASSEMBLY BILL

No. 1666

**Introduced by Assembly Member Campbell
(Coauthor: Assembly Members Chavez, Cogdill, and Jerome
Horton)**

February 21, 2003

An act to amend Sections 30142, 30168, and 30182 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1666, as introduced, Campbell. Cigarettes and tobacco products.

The Cigarette and Tobacco Products Tax Law requires distributors and wholesalers of cigarette and tobacco products to be licensed by the State Board of Equalization. The Cigarette and Tobacco Products Tax Law also requires a tax imposed by that law with respect to distributions of cigarettes to be paid by distributors through the use of stamps or meter register settings, and requires that these stamps or meter register settings be affixed to each package of cigarettes sold.

Existing law requires all distributors of cigarette and tobacco products that are required to be licensed by the State Board of Equalization to furnish a \$1,000 security deposit. Existing law requires a distributor that defers payments for stamps or meter register settings to furnish a security deposit of at least 70% percent of, but not than more twice the amount of, stamps and meter register settings for which payment is deferred.

This bill would reduce the amount of the security deposit required to be provided by a distributor that defers payments for stamps or meter register settings to an amount that is at least 50% percent of, but not

more than twice the amount of, stamps and meter register settings for which payment is deferred.

Existing law requires distributors that defer payments for stamps and meter register settings to remit the payments on or before the 25th day of the month following the month in which the payments were deferred.

This bill would require distributors that defer payments for stamps and meter register settings to elect to remit those payments either on a monthly or on a twice-monthly basis.

Existing law requires distributors of cigarettes and tobacco products to file returns for, and remit the taxes collected on, the distributions of cigarettes and tobacco products on or before the 25th day of the month following the month during which the cigarettes or tobacco products were distributed.

This bill would require distributors of cigarettes and tobacco products to elect to file those returns and remit those taxes either on a monthly basis or on a twice-monthly basis.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 30142 of the Revenue and Taxation
2 Code is amended to read:

3 30142. The board shall fix the amount of the security required
4 of any distributor and may increase or reduce the amount at any
5 time. A minimum security in the amount of one thousand dollars
6 (\$1,000) shall be furnished by every distributor required to be
7 licensed. If a distributor desires to defer payments for stamps or
8 meter register settings, as provided in Article 2 (commencing with
9 Section 30161) of Chapter 3.5, the board shall require a security
10 equal to not less than ~~70~~ 50 percent of the amount and no more than
11 twice the amount, as fixed by the board, of the distributor's
12 purchases of stamps and meter register settings for which payment
13 may be deferred.

14 SEC. 2. Section 30168 of the Revenue and Taxation Code is
15 amended to read:

16 30168. (a) Amounts owing for stamps and meter register
17 settings purchased on the deferred-payment basis in any calendar
18 month, ~~beginning with August, 1967,~~ shall be due and payable on
19 ~~or before the 25th day of the~~ a monthly basis, in the manner elected



pursuant to subdivision (b), during the month following the calendar month in which the stamps and meter register settings were purchased. Payment shall be made by a remittance payable to the board. ~~Amounts owing for purchases made from July 16, 1967, to and including July 31, 1967, shall be due and payable on or before August 31, 1967.~~

(b) A distributor shall elect to make the payment required by subdivision (a) on either a monthly or a twice-monthly basis.

(1) If a distributor elects to make the payment required by subdivision (a) on a monthly basis, the distributor shall remit the payment on or before the 25th day of the month following the month in which the stamps and meter register settings were purchased.

(2) If a distributor elects to make the payment required by subdivision (a) on a twice-monthly basis, the distributor shall make two remittances during the month following the month in which the stamps and meter register settings were purchased. The first monthly remittance shall be made on or before the 5th day of the month for those purchases of stamps and meter register settings that were made between the first day and the 15th day of the preceding month. The second monthly remittance shall be made on or before the 25th day of the month for those purchases of stamps and meter register settings that were made between the 16th day and last day of the preceding month.

SEC. 3. Section 30182 of the Revenue and Taxation Code is amended to read:

30182. (a) On or before the 25th day of each month, every distributor shall file a report in the form as prescribed by the board, ~~which~~ *that* may include, but not be limited to, electronic media respecting his or her distributions of cigarettes and purchases of stamps and meter register units during the preceding month and any other information as the board may require to carry out this part. Reports shall be authenticated in a form or pursuant to methods as may be prescribed by the board.

~~(b) On or before the 25th day of each month, each~~ *Every* distributor shall file a return, *in the manner elected by the distributor pursuant to subdivision (c),* in the form as prescribed by the board, ~~which~~ *that* may include, but not be limited to, electronic media, respecting his or her distributions of tobacco products and their wholesale cost during the preceding month, and

1 any other information as the board may require to carry out this
2 part. Returns shall be authenticated in a form or pursuant to
3 methods as may be prescribed by the board.

4 *(c) A distributor shall elect to file the return required by*
5 *subdivision (b) on either a monthly or a twice-monthly basis.*

6 *(1) If a distributor elects to file a return on a monthly basis, the*
7 *distributor shall file a return on or before the 25th day of the month*
8 *following the month during which the tobacco products were*
9 *distributed.*

10 *(2) If a distributor elects to file a return on a twice-monthly*
11 *basis, the distributor shall file two returns during the month*
12 *following the month during which the tobacco products were*
13 *distributed. The first monthly return shall be filed on or before the*
14 *5th day of the month for those distributions of tobacco products*
15 *that occurred between the first day and the 15th day of the*
16 *preceding month. The second monthly return shall be filed on or*
17 *before the 25th day of the month for those distributions of tobacco*
18 *products that occurred between the 16th day and last day of the*
19 *preceding month.*

